



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

March 26, 1997

Ms. Terry Z. Lygate  
Assistant Secretary  
Whitney Holding Corporation  
228 St. Charles Avenue, Suite 622  
New Orleans, Louisiana 70130

Dear Ms. Lygate:

The Secretary of the Board of Governors of the Federal Reserve System, acting pursuant to authority delegated by the Board, and having considered the record of these applications in light of the relevant statutory factors, has approved the proposal by Whitney Holding Corporation, New Orleans, Louisiana, ("Whitney"), to acquire Whitney National Bank of Mississippi, Gulfport, Mississippi ("Bank"), a de novo bank, pursuant to section 3(a)(3) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842(a)(3)), and the proposal by Whitney to merge with Merchants Bancshares, Inc., Gulfport, Mississippi ("Merchants"), and thereby acquire Merchants Bank & Trust Company, Gulfport, Mississippi ("MB&T"), pursuant to section 3(a)(5) of the BHC Act (12 U.S.C. § 1842(a)(5)).

In approving these applications, the Secretary has relied on all the facts of record and all representations and commitments made by Whitney in its applications and in related correspondence in light of the factors set forth in the BHC Act. These commitments are conditions imposed in writing in connection with the findings and decision herein, and, as such, may be enforced under applicable provisions of law.

The acquisition may not be consummated before the fifteenth calendar day following the effective date of this letter, or later than three

months after the effective date of this letter, unless such period is extended for good cause by the Federal Reserve Bank of Atlanta. In connection with these provisions, advice of the fact of consummation should be given in writing to the Reserve Bank.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer J. Johnson", with a long, sweeping horizontal line extending to the right.

Jennifer J. Johnson  
Deputy Secretary of the Board

cc: Federal Reserve Bank of Atlanta  
Department of Justice  
Office of the Comptroller of the Currency  
Federal Deposit Insurance Corporation  
Mississippi Department of Banking and Consumer Finance